

ORIGINAL

OPEN MEETING



0000142074

MEMORANDUM

2013 FEB -1 A 9 20 DOCKETED

Arizona Corporation Commission

TO: THE COMMISSION

FROM: Utilities Division

DATE: February 1, 2013

RE: SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC. -
APPLICATION FOR APPROVAL OF REVISIONS TO ITS BILL
ESTIMATION TARIFF (DOCKET NO. E-01575A-11-0439)

AL CORP COMMISSION FEB 01 2013
DOCKET CONTROL

DOCKETED BY

LM

Introduction

In Decision No. 73256, issued July 30, 2012, the Commission approved Sulphur Springs Valley Electric Cooperative, Inc.'s ("SSVEC") experimental Residential Prepaid Service Tariff and required SSVEC to file revisions to its Bill Estimation Tariff to include estimation procedures specific to its prepaid service. On August 2, 2012, SSVEC filed, as a compliance item, a revised experimental Residential Prepaid Service ("RPS") Tariff and a revised Bill Estimation Tariff, pursuant to Decision No. 73256. On September 20, 2012, SSVEC re-filed, as a new application (in the same docket), the revisions to its Bill Estimation Tariff that were initially filed on August 2, 2012, for Commission approval. On January 23, 2013, SSVEC filed a revised version of the Bill Estimation Tariff based on discussions with Staff. Bill estimation methodologies are required in the event a valid meter read is not available. Arizona Administrative Code ("A.A.C.") R14-2-210.A.5.a. requires electric utilities to have Commission-approved bill estimation procedures in place in order to render an estimated bill to customers.

Bill Estimation Revisions for Prepaid Service

SSVEC's proposed revisions to its Bill Estimation Tariff include examples of scenarios in which daily kWh usage was not available. The scenarios describe the procedures for estimating the daily kWh that prepaid customers consume. Once an actual kWh usage read is obtained, and results in a negative account balance, the Customer would have two (2) business days to replenish the prepaid account to avoid disconnection. If SSVEC is unable to obtain a daily kWh usage read for seven (7) or more days, SSVEC would use the customer's historical average daily kWh to estimate the amount owed. In this instance, the prepaid customer would have five (5) business days to replenish the prepaid account if the actual kWh usage read results in a negative account balance.

Should a prepaid customer not have any prior consumption history with SSVEC and estimation is necessary, the prepaid customer would only be charged the daily fixed charges and applicable taxes. If an actual kWh usage read was obtained and results in a negative prepaid

account balance, the prepaid customer would have five (5) business days to replenish the prepaid account to avoid disconnection.

Staff has reviewed SSVEC's proposed revisions filed on January 23, 2013, and believes that the bill estimation procedures regarding prepaid customers are appropriate. In addition, Staff believes that SSVEC should add to Section F of its RPS Tariff as number six (6) the following language, "The Cooperative shall not disconnect a prepaid customer due to a negative account balance based on an estimated read that has not been trued up with an actual read." Staff believes that this language helps clarify the disconnection procedures for prepaid customers.

Staff Recommendations

Staff recommends that SSVEC's proposed revisions to its Bill Estimation Tariff be approved as discussed herein. In addition, Staff recommends that SSVEC should add to Section F of its RPS Tariff as number six (6) the following language "The Cooperative shall not disconnect a prepaid customer due to a negative account balance based on an estimated read that has not been trued up with an actual read." Further, Staff recommends that SSVEC file, as a compliance item a revised Bill Estimation Tariff and a revised RPS Tariff page consistent with the terms of this Decision within 15 days of the effective date of the Decision.



Steven M. Olea
Director
Utilities Division

SMO:CLA:sms\BES

ORIGINATOR: Candrea Allen

BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP

Chairman

GARY PIERCE

Commissioner

BRENDA BURNS

Commissioner

BOB BURNS

Commissioner

SUSAN BITTER SMITH

Commissioner

IN THE MATTER OF THE APPLICATION
OF SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC. FOR
APPROVAL OF REVISIONS TO ITS BILL
ESTIMATION TARIFF

DOCKET NOS. E-01575A-11-0439

DECISION NO. _____

ORDER

Open Meeting
February 12 and 13, 2013
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC") is certificated to provide electric service as a public service corporation in the State of Arizona.

Introduction

2. In Decision No. 73256, issued July 30, 2012, the Commission approved SSVEC's experimental Residential Prepaid Service Tariff and required SSVEC to file revisions to its Bill Estimation Tariff to include estimation procedures specific to its prepaid service. On August 2, 2012, SSVEC filed, as a compliance item, a revised experimental Residential Prepaid Service ("RPS") Tariff and a revised Bill Estimation Tariff, pursuant to Decision No. 73256.

3. On September 20, 2012, SSVEC re-filed, as a new application (in this docket), the revisions to its Bill Estimation Tariff that were initially filed on August 2, 2012, for Commission approval. On January 23, 2013, SSVEC filed a revised version of the Bill Estimation Tariff based on discussions with Staff. Bill estimation methodologies are required in the event a valid meter

1 read is not available. Arizona Administrative Code ("A.A.C.") R14-2-210.A.5.a. requires electric
2 utilities to have Commission-approved bill estimation procedures in place in order to render an
3 estimated bill to customers.

4 **Bill Estimation Revisions for Prepaid Service**

5 4. SSVEC's proposed revisions to its Bill Estimation Tariff include examples of
6 scenarios in which daily kWh usage was not available. The scenarios describe the procedures for
7 estimating the daily kWh that prepaid customers consume. Once an actual kWh usage read is
8 obtained, and results in a negative account balance, the Customer would have two (2) business
9 days to replenish the prepaid account to avoid disconnection.

10 5. If SSVEC is unable to obtain a daily kWh usage read for seven (7) or more days,
11 SSVEC would use the customer's historical average daily kWh to estimate the amount owed. In
12 this instance, the prepaid customer would have five (5) business days to replenish the prepaid
13 account if the estimation results in a negative account balance.

14 6. Should a prepaid customer not have any prior consumption history with SSVEC
15 and estimation is necessary, the prepaid customer would only be charged the daily fixed charges
16 and applicable taxes. If an actual kWh usage read was obtained and results in a negative prepaid
17 account balance, the prepaid customer would have five (5) business days to replenish the prepaid
18 account to avoid disconnection.

19 7. Staff has reviewed SSVEC's proposed revisions filed on January 23, 2013, and
20 believes that the bill estimation procedures regarding prepaid customers are appropriate. In
21 addition, Staff believes that SSVEC should add to Section F of its RPS Tariff as number six (6) the
22 following language, "The Cooperative shall not disconnect a prepaid customer due to a negative
23 account balance based on an estimated read that has not been trued up with an actual read." Staff
24 believes that this language helps clarify the disconnection procedures for prepaid customers.

25 ...

26 ...

27 ...

28 ...

1 **Staff Recommendations**

2 8. Staff has recommended that SSVEC's proposed revisions to its Bill Estimation
3 Tariff be approved as discussed herein.

4 9. In addition, Staff has recommended that SSVEC should add to Section F of its RPS
5 Tariff as number six (6) the following language, "The Cooperative shall not disconnect a prepaid
6 customer due to a negative account balance based on an estimated read that has not been trued up
7 with an actual read."

8 10. Further, Staff has recommended that SSVEC file, as a compliance item, a revised
9 Bill Estimation Tariff and a revised RPS Tariff page consistent with the terms of this Decision
10 within 15 days of the effective date of the Decision.

11 **CONCLUSIONS OF LAW**

12 1. Sulphur Springs Valley Electric Cooperative, Inc. is an Arizona public service
13 corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

14 2. The Commission has jurisdiction over Sulphur Springs Valley Electric Cooperative,
15 Inc. and over the subject matter of the application.

16 3. The Commission, having reviewed the application and Staff's Memorandum dated
17 February 1, 2013, concludes that it is in the public interest to approve the Sulphur Springs Valley
18 Electric Cooperative, Inc. revised Bill Estimation Tariff, as discussed herein.

19 **ORDER**

20 IT IS THEREFORE ORDERED that the Sulphur Springs Valley Electric Cooperative, Inc.
21 Bill Estimation Tariff as proposed be and hereby is approved, as discussed herein.

22 ...

23 ...

24 ...

25 ...

26 ...

27 ...

28 ...

1 IT IS FURTHER ORDERED that the sentence: "The Cooperative shall not disconnect a
2 prepaid customer due to a negative account balance based on an estimated read that has not been
3 trued up with an actual read." be included in Section F as number six (6) of the Residential Prepaid
4 Service Tariff currently on file with the Commission.

5 IT IS FURTHER ORDERED that Sulphur Springs Valley Electric Cooperative, Inc. file, as
6 a compliance item, a revised Bill Estimation Tariff and a revised Residential Prepaid Service
7 Tariff page consistent with the terms of this Decision within 15 days of the effective date of the
8 Decision.

9 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

10 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

11
12
13 CHAIRMAN

COMMISSIONER

14
15
16 COMMISSIONER

COMMISSIONER

COMMISSIONER

17
18 IN WITNESS WHEREOF, I, JODI JERICH, Executive
19 Director of the Arizona Corporation Commission, have
20 hereunto, set my hand and caused the official seal of this
Commission to be affixed at the Capitol, in the City of
Phoenix, this _____ day of _____, 2013.

21
22 _____
23 JODI JERICH
EXECUTIVE DIRECTOR

24 DISSENT: _____

25
26 DISSENT: _____

27 SMO:CLA:sms\BES

1 SERVICE LIST FOR: Sulphur Springs Valley Electric Cooperative, Inc.
2 DOCKET NOS. E-01575A-11-0439

3 David Bane
4 Sulphur Springs Valley Electric Cooperative, Inc.
5 311 East Wilcox Drive
6 Sierra Vista, Arizona 85635

7 Steven M. Olea
8 Director, Utilities Division
9 Arizona Corporation Commission
10 1200 West Washington Street
11 Phoenix, Arizona 85007

12 Janice M. Alward
13 Chief Counsel, Legal Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007
17
18
19
20
21
22
23
24
25
26
27
28